

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
December 3, 2013**

Members Present:

David Deakin
Lyle Holmgren
Jeff Reese
Byron Wood
Roger Fridal, Mayor
Shawn Warnke, City Manager
Linsey Nessen, Deputy Recorder

CITY COUNCIL WORKSHOP

Mayor Fridal called the December 3, 2013 City Council Workshop to order at 6:03 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Mayor Fridal, Councilmembers Deakin, Holmgren, Reese, and Wood, City Manager Shawn Warnke, Deputy Recorder Linsey Nessen, Zoning Administrator Steve Bench, and Public Works Director Paul Fulgham. In addition, Police Sergeant Kevin Allred was present representing Chief David Nance. Councilmember Diana Doutre and Recorder Darlene S. Hess were excused.

1. Review of agenda items on the 7:00 p.m. Council Meeting:

The Council reviewed the December 3, 2013 Agenda with the following items being discussed in more detail:

2010 International 10-wheeled dump truck – Director Fulgham told the Council that Agenda Item 7.h will need to be removed because, on Friday, a private contractor bought all of the six available trucks.

Resolution No. 13-58 City Manager Agreement – Councilmember Deakin asked Manager Warnke where he wanted to live. Manager Warnke replied that he didn't know. It might be Tremonton, but it might also be in Brigham City.

Resolution No. 13-59 Tremonton Pines Subdivision – Planning and Zoning Administrator Bench explained that the City has a Development Agreement with Tremonton Pines as part of the City Code. The first phase of this development is all private. In order for them to proceed to the second phase, they need to put in a bridge that crosses a canal. Part of the Development Agreement for the first phase stipulates that the developer has to have approval for the bridge before starting Phase Two of the development. The developer is planning on beginning on the bridge before the end of this year, before the water is turned into the canal.

The Staff is also working on the Escrow Agreement. There is a little confusion between the City and the banks. The banks thought it was a bond and they won't do a bond on private property. This should be finalized by tomorrow or by the end of the week. The

plat is ready to be recorded. Tremonton Pines has submitted Building Permits for twelve buildings.

Administrator Bench explained that the bridge will be public, but its main purpose is to provide a second access into Tremonton Pines Subdivision because there will be ninety-six units. Councilmember Holmgren pointed out that the bridge connects to a private road and asked how that works in an instance such as this where public and private roads merge. Councilmember Deakin stated that the original developer had led the Planning Commission to believe that the private road would be open if people wanted to take a short-cut through the subdivision. He wasn't sure if the new developer will feel the same way. Councilmember Holmgren asked if there should be some kind of agreement that, in perpetuity, the private section of the road would be treated as a public road. Administrator Bench commented that, if the developer wanted to gate the subdivision, they could do that. He didn't feel that it will be an issue, but he doesn't feel it should be specified in an agreement because they have the right to gate the subdivision.

Administrator Bench added that the City will not be maintaining the private portion of the road. The developer will be responsible for all maintenance on that section of road.

Councilmember Deakin pointed out that the original developer also agreed to fence the railroad tracks. Director Fulgham said that the developer has plans to put in a club house, splash pad, and playground, but it will all be private.

Publication of an RFQ for Branding Services - Manager Warnke explained that this is one of the recommendations from the SDAT Team when they looked at Main Street. Manager Warnke said that he has been speaking to one potential respondent. One of the things he feels should be pursued in selecting a consultant is that they will do surveys and that there is data that the formation of the brand will be based upon.

This procurement is qualification based which means that, though price is always a factor, the primary criteria will be the consultant's qualifications in providing the services.

Councilmember Holmgren commented that he feels this is a really good idea and that branding will play an important part in website development, as well. Manager Warnke added that in talking to EDC Utah they brought up the fact that branding the City would be helpful in attracting and being more appealing to others, including economic development opportunities.

Manager Warnke told the Council that he would still like to get Department Head input on the RFQ, but, if the Council is fine with the general draft to please know that there could be some minor changes from Department Heads and others.

The Council agreed that going through the branding process is a good idea for the City.

Resolution No. 13-60 amending Section XVI: Benefits – Manager Warnke noted that Linsey Nessen did the primary drafting of this amendment to the Personnel Policies and Procedure Manual in conjunction with GBS, the City’s consultant for health benefits. Manager Warnke said that he thinks the proposed policies are in good shape, but there are a few things that still need to be clarified. For that reason, he would suggest that this agenda item be tabled, but, because the City is in the period where it is necessary to start the measurements required by the Affordable Care Act (ACA), the City will proceed with the measurement based upon the draft.

There needs to be a clarification of the Utah Retirement System’s (URS) regulations to be certain that the offering of any benefits to City employees above the requirement contained in the ACA doesn’t inadvertently trigger any requirement to provide retirement to employees who are eligible for health care.

There are some discretionary items for the City Council to consider. One would be to provide dental and vision to people who qualify for health insurance. That could be problematic with URS. The State Statute changed to say that if a governmental entity is required by law to provide a benefit, it is not a benefit. GBS came up with independent policies that have a few other small items that could be considered into the City’s draft policy.

Councilmember Deakin stated that the City was going to monitor the usage of the Employee Assistance Program (EAP). Six months has passed and Councilmember Deakin was curious how much it is being used. HR/Payroll Clerk Linsey Nessen reported that the usage is 17% by case and 20% by individuals. Councilmember Deakin commented that that indicates one out of five people are using the service. He felt that was excellent. Manager Warnke added that there were some serious issues that some of the City’s employees or their dependents were/are dealing with. Mayor Fridal added that the percentage has been consistent. It wasn’t just during the initial period. Manager Warnke said that Department Heads have used it as a tool and, in certain instances, mandated that an employee use the service. However, there is more voluntary usage of the service than mandated.

Potential increases to Wastewater Treatment rates – Manager Warnke stated that at the last City Council Meeting, the Council wanted to know what some of the projected upcoming projects are along with the dollar value. Director Fulgham has prepared that information and it is provided in the City Council Packets. The costs have been divided between the different types of revenue that will be used. Tremonton doesn’t have a high growth rate and for that reason, Tremonton doesn’t collect an extreme amount of Impact Fees relative to the overall project. Impact Fees are showing at \$2M. The City already has a deficit in Impact Fee expenditure with the result that the City is using user fees to make capital improvements that would be eligible for Impact Fee reimbursement.

Director Fulgham added that the downside to Impact Fees, especially in a treatment facility, is that, because a treatment facility is so capital intensive when it comes to building and upgrading, money has to be borrowed from a bank or from reserves. Then, over time, the Impact Fees pay the money back. In one way that is good because there is never a need to worry about how to use the Impact Fees because the City is always in

arrears. It is also good that Tremonton City has the Reserves they do because it isn't necessary to borrow money to make improvements and upgrades. As long as there are deficits, Impact Fees will pay the City back.

Director Fulgham further explained that as long as a facility has excess capacity, it is good for the municipality. Tremonton's Treatment Plant doesn't have a lot of excess capacity because what they did have went to West Liberty Foods when that plant was built in Tremonton. The State looks at 80% and 90% of capacity. When a facility is at 80% of capacity the State hopes there is some kind of plan. By 90% the facility needs to be in the design phase and ready to do some construction.

Manager Warnke stated that the Staff is working on Impact Fees right now. It is hoped that the Impact Fee Analysis and Impact Fee Ordinance will be ready for the January City Council Meeting. Manager Warnke said that when the City collects Impact Fees, there is a specific amount set to reimburse (buy-in) the City for what has already been built into the system. There is another amount that is relative to building future capacity within the system. The buy-in is money the City can use at its discretion. The portion for future capacity has to be used within a six year period of time. The Wastewater Treatment Plant Impact Fee Analysis hasn't been done, but when it is done, it will be necessary to outline some specific projects to be completed within the six year period.

Manager Warnke clarified that not all of the projects on the Public Works Project List would be Impact Fee eligible. The portion that is related to operations will have to be paid for by user fees, while the portion that adds capacity could be Impact Fee eligible. Zions Bank will look at everything for which the City can document payment and which increased capacity. They will calculate what the actual costs (not replacement costs) are. Based upon that, they will look at how much future growth can benefit from those expenses already incurred by the City to determine the buy-in amount.

Councilmember Reese stated that, before the Council goes any further, the issue will have to be presented to Garland City. Garland needs to know of Tremonton's concerns. Manager Warnke commented that the Staff has been hesitant to have the next Wastewater Treatment Plant Meeting with Garland until there was some direction or general consensus with Tremonton's City Council to support an increase of user fees.

Councilmember Deakin said that he is still uncomfortable with where things sit. The projects for the most part are to increase capacity, and Garland is talking about building their own Wastewater Treatment Plant. Realizing it is unlikely they will be able to get their own plant, if Garland is depending on Tremonton, they are in trouble as far as attracting income.

Councilmember Deakin said that he is not expecting a huge amount of growth. When one talks about the Impact Fees not amounting to much, that is true and the argument is correct, but it is also true that the City is not getting a lot because the City is not getting a lot of growth. Tremonton has a little cushion all ready. In his opinion, the City could

respond in time to expand if needed. Councilmember Deakin feels that it is the wrong time to be increasing rates.

Mayor Fridal commented that he attended a Mayor's meeting and everyone was talking about wastewater treatment rates. Right now, Tremonton's rate is \$18.30 per month. For comparison, Elwood's monthly wastewater treatment rate is \$43.00; Brigham's monthly wastewater treatment rate is \$25.00; and, the one that was the real shocker, Willard's monthly wastewater treatment rate is \$45.00 and they cannot make it pay so they are going to have a \$15 - \$18 increase which will make the rate around \$60 per month for wastewater treatment alone. It was commented that Elwood is not making ends meet, either.

Director Fulgham stated that some of the pay back is based upon new growth. He added that the Utah State Division of Water Quality will not allow Garland City to put in a plant as they are already utilizing a regional facility that is doing everything right and has reasonable rates. If the State could have pushed to get Elwood into the Tremonton facility, they would have done it, but it was impossible because Elwood would have had to pump every drop of their water to get it to Tremonton. The State favors Regional operations because they usually save money and there are fewer problems with bigger facilities.

Manager Warnke commented Director Fulgham does a great job of stretching the dollars that he has. The issue some of the other cities are having is that they ignore the issue for some time until they are forced to spend large sums of money. Councilmember Deakin said that he is not suggesting that the City do that. At some point the City is going to have to expand capacity. Tremonton City has a very comfortable level of cash right now. To maintain that trend, he thinks the City should keep the current rates because, even with the current rates, the account is being built somewhat. Director Fulgham said that next year he will be hitting the reserves hard because there are maintenance things that have to be done that will cost about \$50K. That is why the City has depreciation. In addition, the Komatsu Loader will need to be replaced next year. Director Fulgham said that he just had to pay \$2K in repairs on the loader, and the radiator needs to be replaced which will probably cost another \$1K.

Councilmember Wood asked when the last time was that the City raised rates. Director Fulgham responded that wastewater treatment rates were raised around 2001. Councilmember Wood stated that the amount of the suggested rate increase is a pretty miniscule amount. He would prefer to do raises in small increments at a time versus waiting and then have to increase the rates by a larger amount. Director Fulgham explained that the overage rate for commercial users was instituted in 2001. Before then, commercial users, no matter how large or small, paid like every homeowner. At that time there was also a small rate increase, about \$0.50 on the flat rate. Councilmember Wood said that he remembers people complaining about the \$0.50 increase at that time.

Councilmember Holmgren said that the Council has discussed the need to keep up with capacity, but every summer there is also a problem with the smell in certain areas of the City. It would be good if the City could deal with that issue, as well. Director Fulgham stated that Item 4 on the list of projects would address that issue. Councilmember Wood

commented that the citizens would gladly pay to have the smell at the Wastewater Treatment Plant eliminated. Director Fulgham explained that whatever he does to address the smell issue also increases his handling capacity.

Councilmember Holmgren commented that the City needs to be prepared for growth. He asked which comes first. Does the City build the capacity into the plant so the City is ready for the growth, or does the City wait for the growth and then try to catch up? He said that he likes the plan that has been presented. He agreed that a small increase is a lot easier to swallow than to have to raise the rates by \$15 or \$20.

Manager Warnke stated that, with respect to Garland and the proposed agreement that has been discussed, it has been the City's objective that Tremonton be as equitable as possible. The only exception is that the agreement clearly gives control to make decisions regarding the Wastewater Treatment Plant to Tremonton. The only reason it is written that Tremonton has control is that Tremonton holds the permit and must answer for the permit.

Councilmember Reese asked if the Staff needed direction tonight on the rate increase. Manager Warnke responded that the next Tremonton-Garland Wastewater Treatment Meeting is being delayed until a clear direction can be presented to Garland. This is just a discussion item, but the Staff would like to know whether they have the Council's support and recognizes the need to raise the rates. Then, the Staff can move on to the next step of presenting it to Garland for further discussion.

Councilmember Holmgren asked Councilmember Deakin, if the rates stay status quo, what he sees ten years down the road. Councilmember Deakin responded that he is not saying that the status be held for ten years, but the rate the City has right now has amassed \$2.4M. If the City keeps the same rate that is in effect today, it will continue to grow at a slower rate. There may be \$6M worth of projects, if they were all done, but what he is saying is that if the City has growth and the Council sees there are projects that they want to do, the projects should be approved one at a time rather than just saying that there needs to be a 3% return on assets. Councilmember Deakin said that he would like to see a tie between the rate and what is being done at the Wastewater Treatment Plant. If the Council sees that the Reserves start tapering off, there would be plenty of time to raise the rate and bring the amount in Reserves up again.

Councilmember Wood commented that the inflation rate needs to be considered. As the inflation rate goes up, the buying power is diminished. Councilmember Deakin responded that the Council hasn't approved any of the projects that are on the list, yet. Councilmember Wood countered that the Council is in agreement that they want to clean the Wastewater Treatment Plant up. A person can hardly even buy a big drink of pop for the amount that is being proposed for a rate increase. He reiterated that it is a miniscule rate increase and it is the way to go.

Councilmember Deakin asked Manager Warnke to read an article that was in the Standard Examiner regarding UTOPIA in which UTOPIA said that everyone that signed

a non-disclosure agreement is onboard with whatever they propose. He asked Manager Warnke if he said anything in the meeting they attended that would imply that he was supportive of what UTOPIA was suggesting. Manager Warnke replied that there wasn't. Councilmember Deakin said he asked because UTOPIA has now reported publicly that everyone who went to that meeting is supportive of what they are doing and he is trying to decide how to respond. Manager Warnke said that he thinks it was generally felt that there was support for UTOPIA from Tremonton City, but maybe not from each individual Councilmember.

2. Information on a potential state legislation for a 3% local option fuel user fee (that would essentially increase the gas tax) to fund local transportation projects

Due to time restraints, this agenda item was not discussed.

Motion by Councilmember Reese to move to Closed Session for the purpose of discussing the character, competence, or health of an individual. Motion seconded by Councilmember Deakin. Vote: Councilmember Deakin - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

City Manager Warnke was excused from the Closed Session.

The Council moved into closed session at 6:45 p.m.

3. Closed Session to discuss the character, competence, or health of an individual.

Mayor Fridal signed a statement in the meeting stating that the sole purpose of the closed session was to discuss the character, professional competence or physical or mental health of an individual. No ordinance, resolution, rule, regulation, contract or appointment was made during the closed session.

Motion by Councilmember Deakin to return to open meeting. Motion seconded by Councilmember Wood. Vote: Councilmember Deakin - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

The Council returned to open session at 7:00 p.m.

The meeting adjourned at 7:00 p.m. by consensus of the Council.

CITY COUNCIL MEETING

Mayor Fridal called the December 3, 2013 City Council Meeting to order at 7:05 p.m. The meeting was held in the Tremonton City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Mayor Fridal, Councilmembers Deakin, Holmgren, Reese, and Wood, City Manager Shawn Warnke, Deputy Recorder Linsey Nessen, Zoning Administrator Steve Bench, and Public Works Director Paul Fulgham. Also present was Police Sergeant Kevin Allred representing Police Chief David Nance. Councilmember Diana Dautre and Recorder Darlene S. Hess were excused.

1. Opening Ceremony:

Mayor Fridal informed the audience that he had received no written or oral request to participate in the Opening Ceremony. He asked anyone who may be offended by listening to a prayer to step out into the lobby for this portion of the meeting. The prayer was offered by Councilmember Holmgren and the Pledge of Allegiance was led by Councilmember Reese.

2. Introduction of guests:

Mayor Fridal welcomed all those in attendance including Linsey Nessen, Deputy Recorder/Human Resources Clerk.

3. Approval of Agenda:

Mayor Fridal asked if there were any changes or corrections to the Agenda. No comments were made.

Motion by Councilmember Holmgren to approve the agenda of December 3, 2013 with the removal of Agenda Items 7.f (tabled) and 7.h. Motion seconded by Councilmember Wood. Vote: Councilmember Deakin – aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

4. Approval of minutes – November 13, 2013:

Motion by Councilmember Wood to approve the minutes of November 13, 2013. Motion seconded by Councilmember Deakin. Vote: Councilmember Deakin - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

5. Public comments: Comments limited to three minutes:

Alberta Ross said she was present representing the Tremonton Civic League Women's Organization as well as the Veteran's. Commander Dave Kilfoyle asked Ms. Ross to fill in for him. There is concern because a lot of the veteran's plaques at the Veteran's Memorial at Midland Square are in need of repair. The Women's Civic League would like to help with an \$800 donation to do repair work on the plaques. Commander Kilfoyle told her that the City has already been cleaning the circle. She wasn't sure how far the City was going to go with that but thought perhaps the donation would help in some way.

Councilmember Holmgren informed Ms. Ross that the Council has discussed the condition of the Veteran's Memorial plaques. The material that was used to apply the names is sort of a rubbery plastic. The sun basically bakes it off. It starts to peel off within a few years of application. Councilmember Deakin asked Manager Warnke if there was something more permanent that could be used. Manager Warnke responded that he wasn't positive. The City has discussed addressing this problem, and the Women's Civic League donation will certainly help to move that issue forward. There has been some discussion of just sand blasting off the rubbery material which would leave a consistent matte finish, but there would be no contrast.

Councilmember Deakin said he has wondered if it would be possible to blast it off so the plaques are a light color and then apply a different color over the top of it to bring out the names. Councilmember Holmgren suggested going back to the original contractor to get some advice from them.

Ms. Ross stated that the Veteran's Memorial looks so nice, but to not be able to read the veteran's names is a shame.

Mayor Fridal assured Ms. Ross that the Council has been looking at this situation and, they are in total agreement that something needs to be done about it. The Council thanked the Women's Civic League for their donation. Ms. Ross pointed out that Preston has a similar memorial, but the names can be easily read. Mayor Fridal told Ms. Ross that the Council will look into possible approaches and get back in touch with her.

6. Request(s) to be on the agenda:

a. Youth City Council Presentation – Suicide

There were no Youth City Councilmembers present for the presentation.

7. New Council Business:

a. Discussion and consideration of approving the Warrant 2013 Warrant Register.

Motion by Councilmember Reese to approve the October 2013 Warrant Register. Motion seconded by Councilmember Holmgren. Vote: Councilmember Deakin - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

b. Discussion and consideration of approving the October 2013 Financial Statement.

Motion by Councilmember Holmgren to approve the October 2013 Financial Statement. Motion seconded by Councilmember Reese. Vote: Councilmember Deakin - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved

c. Discussion and consideration of approving Resolution No. 13-58 approving the terms and conditions of a City Manager Agreement

Motion by Councilmember Reese to approve Resolution No. 13-58. Motion seconded by Councilmember Holmgren. The Council gave Manager Warnke their heartfelt thanks for all he has done. Councilmember Deakin stated that he appreciates the approach Manager Warnke takes where he gives the Council all the information and represents both sides. Even when he strongly supports one way, Manager Warnke doesn't cover up anything but tells the Council exactly how he sees the whole issue. Councilmember Deakin feels that makes for a better government. The Council agreed.

Councilmember Wood stated that he has enjoyed working with Manager Warnke and he is thrilled that Manager Warnke wants to stay in Tremonton. Vote: Councilmember Deakin – aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

- d. Discussion and consideration of approving Resolution No. 13-59 approving a development agreement between Tremonton City and Mountain Ridge Development LLC, for phase one of the Tremonton Pines Subdivision, a Multi-Family Development

Administrator Bench explained that phase one is twelve buildings, and before the developer can start phase two, he must put the road in across the canal. That is basically what the Agreement addresses. The plan is to have the road in by the end of the year, or at least have the property purchased from the land owner across the canal and then have the bridge completed before the water is turned into the canal in the spring. The easement across the canal has been obtained.

Motion by Councilmember Holmgren to adopt Resolution No. 13-59 approving the Development Agreement between Tremonton City and Mountain Ridge Development LLC. Motion seconded by Councilmember Deakin. Administrator Bench stated that Part Two of the Development Agreement is the Escrow Agreement. The bank is working on that now. Vote: Councilmember Deakin - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

- e. Discussion and consideration of authorizing the publication of a Request for Qualifications for Branding Services

Manager Warnke stated that this would be a procurement process whereby the Staff would look at consultants qualified to respond and provide the Staff information as to their qualifications for helping the City develop a brand and identity. The Request for Qualifications (RFQ) has a lot of basis on public process whereby the consultant does surveys and researches out by means of public participation to determine what makes Tremonton "Tremonton" and, based upon some of the input, to create a brand which would include a logo, a tag line and other elements such as entry signage, etc.

Councilmember Deakin said that he feels this is really important. In several meetings with the Planning Commission there has been an attempt to try to justify just who Tremonton City is and the Planning Commission never did come up with anything. It is really tricky in Tremonton. It is not as straight forward as one might think. He feels it would help on a lot of different aspects to clearly define what Tremonton is and present that. It may be expensive, but Councilmember Deakin feels it is worth it. Councilmember Holmgren agreed.

Manager Warnke stated that what is before the Council is the approval of the publication of a Request for Qualifications for Branding Services. He would like the Department Heads to look at the RFQ and present suggestions, so, with the Council's approval, there could be some minor changes.

Motion by Councilmember Holmgren to work with the Department Heads and proceed with publication of the RFQ for Branding Services. Motion seconded by Councilmember Deakin. Vote: Councilmember Deakin - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and

Councilmember Wood - aye. Motion approved

- f. Discussion and consideration of adopting Resolution No. 13-60 amending Section XVI: Benefits of the Tremonton City Personnel Policies and Procedure Manual

This agenda item was tabled.

- g. Discussion of potential increases to sewer treatment rates (user rates for the Wastewater Treatment Plant)

Mayor Fridal explained that there is a suggestion to increase the wastewater treatment rates by \$1.70 per month.

Councilmember Deakin said that he would like to see the specific projects approved. There are two places where the City's Financial Statement looks good: one is the Sewer and the other is Water.

Mayor Fridal expressed his opinion that the last year has been rather eventful with businesses considering coming into town and said he anticipates that further businesses will look at Tremonton. He feels it is important that the Council encourage businesses to come to Tremonton. When he looks ahead at the limiting factors for a business to come to Tremonton two areas stand out. Water is an issue, but water availability is being worked on; however, wastewater treatment is potentially a real limiting factor for a business to come to town. Mayor Fridal thinks it would be prudent to plan ahead so, if a business wants to come to Tremonton, it will not be necessary to tell them they have to wait six months or longer, or that the City will need their help to upgrade the City's services. They can come immediately because the City has sufficient wastewater treatment and water capacity for them. It would be significantly more attractive to a business to come to Tremonton if the City's services are available to handle their needs immediately. If the City has money to spend to upgrade the Wastewater Treatment System in advance of need, the City will be better off.

Councilmember Deakin responded that he feels the City has done that because there is \$2.4M in the Treatment Plant Fund and asked Mayor Fridal what number he would be comfortable with. Mayor Fridal responded that he is not looking at a specific number. What he is looking at is for Director Fulgham to come up with a plan for an upgrade to the Wastewater Treatment Plant and then put that plan into action – one that will get rid of the smell and increase the capacity so the Plant can handle future growth and make it better for Tremonton City.

Councilmember Deakin agreed stating that what he wants to see are specific projects that the Council has approved and that connect with the rate that is being charged. Councilmember Wood responded that Director Fulgham has told the Council what the projects will be for next year. The Council knows what is coming. The proposed increase is a miniscule amount when one considers what the cities around Tremonton are charging for wastewater treatment. He said that he has always believed in "pay a little as you go" as opposed to hitting the citizens with a large amount at the end. He feels it is a good concept and that Director

Fulgham is doing a good job, and he is in favor of the raise. He stated that he hates raises and he hates taxes, but this amount is like buying a 20 oz. soda.

Manager Warnke said that he is not looking for an approval of an increase tonight, necessarily. What he is looking for is direction about talking to Garland about the Council's desire to work with them and increase rates.

- h. Discussion of the purchase of a 2010 International 10-wheeled dump truck for the Wastewater Treatment Plant operations

This agenda item was removed as there are no more dump trucks available.

8. Comments:

- a. Administration/City Manager Advice and Consent.

Manager Warnke said that he just wanted to thank the Council for their approval of the Resolution approving the terms and conditions of a City Manager Agreement. The Department Heads have been great, as well. A lot of good things that the Council sees that come from the City are direct reflections of the Department Heads and other employees.

- (1) Information on a potential state legislation for a 3% local option fuel user fee (that would essentially increase the gas tax) to fund local transportation projects

Manager Warnke stated that he and Mayor Fridal attended a meeting where the issue came up regarding an unsponsored legislative bill which would increase the gas tax. There has been some discussion during the interim sessions about the need to address transportation dollars for local government. The proposal that is being discussed in concept would be to increase the gas tax.

Councilmember Wood said that this is an increase he is against. If local fuel taxes are increased it will push people out of the City. Wyoming's gas tax is \$0.10 and Utah's is \$0.24. This pushes business away to other states.

Manager Warnke said that what he understands, as was explained in the packet they received, was that the legislature would authorize and enable Counties to make a decision and adopt a County Local Transportation Tax. The County Commission might ask each local governing body to adopt a resolution either in support or opposition so they are not standing alone on increasing the gas tax.

Councilmember Deakin asked how this would play with the B & C Road money the City already collects from the State. Manager Warnke stated that there are some nuances with the formula, but the State estimates that it would double the City's B & C allotment and would carry the same restrictions. The B & C Road Tax hasn't been increased since the mid-

nineties and inflation and other factors have caught up with transportation. The City bonded and pledged its B & C Road Taxes for ten years because it was behind on the maintenance of its roads. That put a drain on the City and it has since been the desire of the Council and Staff to not get behind on transportation issues in the future. A lot of cities are in the same position as Tremonton has been. There is some thought there might be some tolerance by the public because of the shape of the roads to increase the tax.

Manager Warnke said he just wanted the Council to be aware in case something does come of this legislation as the Council may be asked to declare their desires to support or oppose the legislation via resolution.

Mayor Fridal added that the County was pushing the gas tax increase. The County's issue is that they have a huge amount of roads in Box Elder County to maintain and they have no money to fix them so they are looking at a way to get money to fix the roads. Mayor Fridal said he doesn't like the thought of a 3% increase, but he can see the County's problem. Councilmember Reese commented that it bothers him that there are places within Box Elder County that don't have service stations, but they would still benefit from this tax increase. Councilmember Wood added that it will still hurt the business people.

Manager Warnke explained that the formula is similar to that of the B & C Road Tax in that it is based upon lane miles and population as well as origin and other classifications. The State would get a portion of the tax, as well.

Director Fulgham stated that the State Legislators are putting it on the County Commissions because they don't want to take the heat for a tax increase.

b. Council Reports:

Councilmember Deakin said that he is very confident that Councilmember Rohde will do a superb job and he thanked him for being willing to serve.

Councilmember Deakin mentioned an article in the newspaper that stated that everyone had signed a non-disclosure agreement at a UTOPIA meeting indicating agreement with what UTOPIA proposed. With Manager Warnke as his witness, he wanted it made known that there is no way they could have drawn that conclusion from him. When that issue is available to be discussed, Councilmember Deakin said he has another idea that he would like to bounce off the Council that might give them an exit strategy. He thanked the Council for being tolerant with him for the past eight years. Mayor Fridal thanked him and said he appreciates the job he has done.

Councilmember Wood thanked Councilmember Deakin for his service. Everyone knows how much time it takes to do the job of City Councilmember.

Councilmember Reese also thanked Councilmember Deakin.

Councilmember Holmgren added his expression of thanks to Councilmember Deakin for his service. It takes a lot to serve on the City Council. Councilmember Deakin has always spoken his viewpoint and held tight to it. It has been a pleasure to serve with him. He wished Councilmember Deakin well on his ventures.

Mayor Fridal stated that the entire Council appreciates the service that Councilmember Deakin has done.

9. Adjournment.

Motion by Councilmember Deakin to adjourn the meeting. Motion seconded by Councilmember Holmgren. Vote: Councilmember Deakin - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

The meeting adjourned at 7:45 p.m.

The undersigned duly acting and appointed Recorder for Tremonton City Corporation hereby certifies that the foregoing is a true and correct copy of the minutes for the City Council Meeting held on the above referenced date. Minutes were prepared by Norene Rawlings.

Dated this _____ day of _____, 2013.

Darlene S. Hess, Recorder